



Cañon City Area For Reinvestment Expansion Urban Renewal Plan

Southeastern Colorado Water Conservation District Impact Report

February 2020

Prepared for:

City of Cañon City
City Council

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Southeastern Colorado Water Conservation District Impact Report

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This report outlines the anticipated impact of the proposed Cañon City Area For Reinvestment Expansion Urban Renewal Plan on the Southeastern Colorado Water Conservation District (the District). It is prepared in conformance with those requirements set forth in C.R.S. 31-25-107 (3.5) (a):

C.R.S. 31-25-107: APPROVAL OF URBAN RENEWAL PLANS BY LOCAL GOVERNING BODY

(3.5) (a) "At least thirty days prior to the hearing on an urban renewal plan or a substantial modification to such plan, regardless of when the urban renewal plan was first approved, the governing body or the authority shall submit such plan or modification to the board of county commissioners, and, if property taxes collected as a result of the county levy will be utilized, the governing body or the authority shall also submit an urban renewal impact report, which shall include, at a minimum, the following information concerning the impact of such plan:

- I. The estimated duration of time to complete the urban renewal project;
- II. The estimated annual property tax increment to be generated by the urban renewal project and the portion of such property tax increment to be allocated during this period to fund the urban renewal project;
- III. An estimate of the impact of the urban renewal project on county revenues and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure;
- IV. A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional county infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (II) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority; and
- V. Any other estimated impacts of the urban renewal project on county services or revenues."

Summary of Urban Renewal Plan

Development Program

The proposed development program for the Cañon City Area For Reinvestment Expansion Urban Renewal Plan is consistent with current policy documents and plans for the City of Cañon City. The estimated level of development is anticipated to be completed over the next 25 years and the total build-out is summarized in **Table 1**.

Table 1
Cañon City Area For Reinvestment Expansion Urban Renewal Plan
Proposed Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Source: Ricker|Cunningham.

The development timetable for the proposed program presented above will ultimately be determined by prevailing market conditions. A critical component of the analysis presented here is the assumption that key parcels within the planning area will be developed into a mix of residential, retail, entertainment, lodging and office/employment space. For the purposes of this analysis, it was assumed that this level of development in the Area will be substantially completed during the 25-year development and stabilization period.

Summary Impacts to Southeastern Colorado Water Conservation District

For the purposes of this analysis, it is assumed that 100% of the total District property tax increment over the 25-year period will be allocated to project costs. **Table 2** at the end of this report provides a summary of these property tax revenues.

Property Tax Revenue

Currently, the District's share of the property tax base in the Area is approximately \$45,728. During the 25-year statutory period, the District's share of property tax revenue will total approximately \$1.2 million, or \$48,000 annually. After the 25-year analysis period is completed, the District's share of property tax revenues will increase to approximately \$77,000 on an annual basis. These figures reflect the impacts of inflation, conservatively estimated at approximately 1% to 2% on an annual basis.

Table 2
 Cañon City Area For Reinvestment Expansion Urban Renewal Area
 Southeastern Colorado Water Conservation District Impact Analysis

Development Program (25 years)

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

	Cumulative Total By:				
	2023	2028	2033	2038	2043
Southeastern Colorado Water Conservation District					
Property Tax Revenues from Existing Base	\$230,475	\$466,519	\$708,750	\$956,836	\$1,211,423
Property Tax Increment Contributed to URA	\$8,877	\$54,619	\$127,878	\$233,951	\$357,895

Source: Ricker | Cunningham.

Table 2 (cont'd)

Cañon City Area For Reinvestment Expansion Urban Renewal Area
Southeastern Colorado Water Conservation District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates	Year								
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Estimated Cumulative Development Demand:									
Mixed Residential	0	25	50	75	100	125	150	175	200
Retail	0	5,000	30,000	55,000	60,000	65,000	70,000	75,000	80,000
Employment	0	0	5,000	15,000	25,000	35,000	45,000	55,000	65,000
Estimated Development Market Value:									
Residential (Mixed)	\$325,000	\$0	\$8,206,250	\$16,576,625	\$25,113,587	\$33,819,630	\$42,697,283	\$51,749,107	\$60,977,698
Retail	\$200	\$0	\$1,010,000	\$6,120,600	\$11,333,311	\$12,487,248	\$13,663,131	\$14,861,282	\$16,082,030
Employment	\$150	\$0	\$0	\$765,075	\$2,318,177	\$3,902,265	\$5,517,803	\$7,165,261	\$8,845,117
Estimated Development Assessed Value:									
Residential (Mixed)	7.2%	\$0	\$590,850	\$1,193,517	\$1,808,178	\$2,435,013	\$3,074,204	\$3,725,936	\$4,390,394
Retail	29%	\$0	\$292,900	\$1,774,974	\$3,286,660	\$3,621,302	\$3,962,308	\$4,309,772	\$4,663,789
Employment	29%	\$0	\$0	\$221,872	\$672,271	\$1,131,657	\$1,600,163	\$2,077,926	\$2,565,084
Estimated Development Property Tax Revenues (85.098 mills):									
Residential (Mixed)	0.085098	\$0	\$0	\$50,280	\$101,566	\$153,873	\$207,216	\$261,610	\$317,071
Retail	0.085098	\$0	\$0	\$24,925	\$151,047	\$279,689	\$308,167	\$337,186	\$366,754
Employment	0.085098	\$0	\$0	\$0	\$18,881	\$57,209	\$96,302	\$136,171	\$176,828
Total Property Tax Revenues from New Development:									
Total Property Tax Revenues from Existing Development:		\$4,314,181	\$4,314,181	\$4,357,323	\$4,357,323	\$4,400,896	\$4,400,896	\$4,444,905	\$4,489,354
Total Property Tax Revenues:		\$4,314,181	\$4,314,181	\$4,432,528	\$4,628,817	\$4,891,667	\$5,012,580	\$5,179,872	\$5,305,558
Existing Property Tax Base:		\$4,314,181	\$4,314,181	\$4,357,323	\$4,357,323	\$4,400,896	\$4,400,896	\$4,444,905	\$4,489,354
Total Property Tax Increment:		\$0	\$0	\$75,206	\$271,495	\$490,771	\$611,684	\$734,967	\$860,653
District Impact:									
District Share of Property Tax Base:	0.000902	\$45,728	\$45,728	\$46,185	\$46,185	\$46,647	\$46,647	\$47,114	\$47,114
District Share of Property Tax Increment:	0.000902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total District Share of Property Tax Revenue:		\$45,728	\$45,728	\$46,185	\$46,185	\$46,647	\$46,647	\$47,114	\$47,585

Source: Ricker | Cunningham.

Table 2 (cont'd)

Cañon City Area For Reinvestment Expansion Urban Renewal Area
Southeastern Colorado Water Conservation District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates	Year							
	2028	2029	2030	2031	2032	2033	2034	2035
Estimated Cumulative Development Demand:								
Mixed Residential	200	200	200	200	200	200	200	200
Retail	85,000	90,000	95,000	105,000	115,000	125,000	135,000	145,000
Employment	75,000	85,000	95,000	105,000	120,000	135,000	150,000	165,000
Estimated Development Market Value:								
Residential (Mixed)	\$325,000	\$71,089,543	\$71,800,438	\$72,518,443	\$73,243,627	\$73,976,063	\$74,715,824	\$75,462,982
Retail	\$200	\$18,592,650	\$19,883,198	\$21,197,699	\$23,663,326	\$26,176,145	\$28,736,855	\$31,346,162
Employment	\$150	\$12,303,959	\$14,083,932	\$15,898,274	\$17,747,494	\$20,485,679	\$23,276,853	\$26,121,801
Estimated Development Assessed Value:								
Residential (Mixed)	7.2%	\$5,118,447	\$5,169,632	\$5,221,328	\$5,273,541	\$5,326,277	\$5,379,539	\$5,433,335
Retail	29%	\$5,391,868	\$5,766,127	\$6,147,333	\$6,862,364	\$7,591,082	\$8,333,688	\$9,090,387
Employment	29%	\$3,568,148	\$4,084,340	\$4,610,499	\$5,146,773	\$5,940,847	\$6,750,287	\$7,575,322
Estimated Development Property Tax Revenues (85.098 mills):								
Residential (Mixed)	0.085098	\$431,259	\$435,571	\$439,927	\$444,326	\$448,769	\$453,257	\$457,790
Retail	0.085098	\$427,573	\$458,839	\$490,688	\$523,128	\$583,976	\$645,988	\$709,183
Employment	0.085098	\$260,552	\$303,643	\$347,570	\$392,346	\$437,982	\$505,556	\$574,438
Total Property Tax Revenues from New Development:		\$1,119,383	\$1,198,054	\$1,278,185	\$1,359,800	\$1,470,727	\$1,604,802	\$1,741,411
Total Property Tax Revenues from Existing Development:		\$4,489,354	\$4,534,248	\$4,534,248	\$4,579,590	\$4,579,590	\$4,625,386	\$4,671,640
Total Property Tax Revenues:		\$5,608,738	\$5,732,301	\$5,812,433	\$5,939,390	\$6,050,317	\$6,230,188	\$6,366,797
Existing Property Tax Base:		\$4,489,354	\$4,534,248	\$4,534,248	\$4,579,590	\$4,579,590	\$4,625,386	\$4,671,640
Total Property Tax Increment:		\$1,119,383	\$1,198,054	\$1,278,185	\$1,359,800	\$1,470,727	\$1,604,802	\$1,741,411
District Impact:								
District Share of Property Tax Base:	0.000902	\$47,585	\$48,061	\$48,061	\$48,541	\$48,541	\$49,027	\$49,517
District Share of Property Tax Increment:	0.000902	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total District Share of Property Tax Revenue:		\$47,585	\$48,061	\$48,061	\$48,541	\$48,541	\$49,027	\$49,517

Source: Ricker | Cunningham.

Table 2 (cont'd)

Cañon City Area For Reinvestment Expansion Urban Renewal Area
Southeastern Colorado Water Conservation District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates	Year							
	2036	2037	2038	2039	2040	2041	2042	2043
Estimated Cumulative Development Demand:								
Mixed Residential	200	200	200	200	200	200	200	200
Retail	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Employment	180,000	195,000	205,000	205,000	205,000	205,000	205,000	205,000
Estimated Development Market Value:								
Residential (Mixed)	\$325,000	\$76,979,788	\$77,749,586	\$78,527,082	\$79,312,353	\$80,105,476	\$80,906,531	\$81,715,596
Retail	\$200	\$35,529,133	\$35,884,424	\$36,243,269	\$36,605,701	\$36,971,758	\$37,341,476	\$37,714,891
Employment	\$150	\$31,976,220	\$34,987,314	\$37,149,350	\$37,520,844	\$37,896,052	\$38,275,013	\$38,657,763
Estimated Development Assessed Value:								
Residential (Mixed)	7.2%	\$5,542,545	\$5,597,970	\$5,653,950	\$5,710,489	\$5,767,594	\$5,825,270	\$5,883,523
Retail	29%	\$10,303,449	\$10,406,483	\$10,510,548	\$10,615,653	\$10,721,810	\$10,829,028	\$10,937,318
Employment	29%	\$9,273,104	\$10,146,321	\$10,773,312	\$10,881,045	\$10,989,855	\$11,099,754	\$11,210,751
Estimated Development Property Tax Revenues (85.098 mills):								
Residential (Mixed)	0.085098	\$466,991	\$471,661	\$476,378	\$481,142	\$485,953	\$490,813	\$495,721
Retail	0.085098	\$839,187	\$876,806	\$885,574	\$894,430	\$903,374	\$912,408	\$921,532
Employment	0.085098	\$716,203	\$789,126	\$863,435	\$916,791	\$925,959	\$935,218	\$944,570
Total Property Tax Revenues from New Development:		\$2,022,382	\$2,137,593	\$2,225,387	\$2,292,362	\$2,315,286	\$2,338,439	\$2,361,823
Total Property Tax Revenues from Existing Development:		\$4,671,640	\$4,718,356	\$4,718,356	\$4,765,540	\$4,765,540	\$4,813,195	\$4,861,327
Total Property Tax Revenues:		\$6,694,022	\$6,855,949	\$6,943,743	\$7,057,902	\$7,080,826	\$7,151,634	\$7,175,018
Existing Property Tax Base:		\$4,671,640	\$4,718,356	\$4,718,356	\$4,765,540	\$4,765,540	\$4,813,195	\$4,861,327
Total Property Tax Increment:		\$2,022,382	\$2,137,593	\$2,225,387	\$2,292,362	\$2,315,286	\$2,338,439	\$2,361,823
District Impact:								
District Share of Property Tax Base:	0.000902	\$49,517	\$50,012	\$50,012	\$50,512	\$50,512	\$51,017	\$51,017
District Share of Property Tax Increment:	0.000902	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total District Share of Property Tax Revenue:		\$49,517	\$50,012	\$50,012	\$50,512	\$50,512	\$51,017	\$51,017

Source: Ricker | Cunningham.